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1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK  
3 -----x

4 OFFICE SPACE SOLUTIONS,

5 Plaintiff,

6 v.

15 CV 4941 (LAK)

7 JASON KNEEN,

8 Defendant.  
9 -----x

New York, N.Y.  
July 7, 2011  
11:00 a.m.

10 Before:

11 HON. LEWIS A. KAPLAN,

12 District Judge

13 APPEARANCES

14 THE BOSTANY LAW FIRM  
15 Attorneys for Plaintiff  
16 JOHN BOSTANY, ESQ.  
17 ROMAN POPOV, ESQ.

18 KAREN J. BERNSTEIN, ESQ.  
19 Attorney for Defendant

20  
21 JOHN BERRYHILL, ESQ.  
22 Attorney for Defendant

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1 (Case called)

2 (In open court)

3 THE DEPUTY CLERK: Office Space Solutions v. Jason  
4 Kneen. Plaintiff, are you ready?

5 MR. BOSTANY: Yes. John Bostany and Roman Popov for  
6 the plaintiff.

7 MS. BERNSTEIN: Good morning, Judge Kaplan. My name  
8 is Karen Bernstein. I'm an attorney for the defendant Jason  
9 Kneen. I'd like to introduce my colleague, Dr. John Berryhill.  
10 Dr. Berryhill is an attorney admitted in good standing in the  
11 Commonwealth of Pennsylvania and by oral motion I am requesting  
12 he be admitted pro hac vice.

13 THE COURT: I will not do that on oral motion. You  
14 have to file papers. You have to pay a fee. Is he arguing?

15 MS. BERNSTEIN: He is arguing the opposition to the  
16 motion. We were only given a few days to respond and it was  
17 difficult from an administrative point to get the  
18 certification.

19 THE COURT: The idea is if you will argue -- of what  
20 are you a doctor, sir?

21 MR. BERRYHILL: Electrical engineering before becoming  
22 a JD.

23 THE COURT: In what area are you admitted?

24 MR. BOSTANY: Pennsylvania, sir. I've been admitted  
25 pro hac vice here before.

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1                   THE COURT: I'll hear you, but you have to file papers  
2 and pay a fee.

3                   MR. BERRYHILL: Yes, your Honor.

4                   THE COURT: Okay. Go ahead, Mr. Bostany, and use the  
5 lectern, please.

6                   MR. BOSTANY: Thank you, Judge. We're here today on a  
7 very serious case but a very interesting legal issue, that has  
8 not been, as far as I could tell, before another one of your  
9 colleagues here at the Southern District or in the Second  
10 Circuit. It has been, at least in theory, the philosophical  
11 point of view of moving away from the strict requirement that  
12 the time in question be the registration initially --

13                  THE COURT: Let's back up, because I don't think I  
14 have to reach that question in this case. Problem number one  
15 is that I do not understand for the life of me how you have any  
16 likelihood of success on the issue of personal jurisdiction.  
17 Problem number two is that I do not understand how you've  
18 established any cognizable threat of irreparable injury. And I  
19 could go on. But that's for starters.

20                  MR. BOSTANY: Well, your Honor, let me just back up,  
21 then. As your Honor suggested. The order to show cause that  
22 we're asking be turned into a preliminary injunction is for one  
23 thing and one thing only. It's to prevent the WorkBetter.com  
24 domain to be transferred while this case is pending.

25                  THE COURT: Let me ask you a preliminary question. Is

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1 there some exception for personal jurisdiction for cases that  
2 are asking for just standstill relief?

3 MR. BOSTANY: No, that's why when your Honor mentioned  
4 that, I was a little bit upset that I didn't start with that.  
5 Because your Honor I know from prior cases is very focused on  
6 jurisdiction, as it should be, and I was now about to get to  
7 that, and that is actually my weakest argument. But I don't --

8 THE COURT: I agree with you.

9 MR. BOSTANY: So, you know, the cases I cited in my  
10 opening brief, Judge, I tried for the life of me to find better  
11 cases and I couldn't. I have that one case, that NFL case and  
12 the Cello case and those are the only cases that I find that  
13 come close to this fact pattern where you have an international  
14 businessman like the defendant.

15 THE COURT: What makes you think he's an international  
16 businessman? Is there any evidence of that at all?

17 MR. BOSTANY: It hasn't been disputed and it's because  
18 the exhibits we've attached to our moving papers --

19 THE COURT: I'm sorry, it also hasn't been disputed  
20 that the Dodgers won the 1959 World Series, but that doesn't  
21 mean I can conclude --

22 MR. BOSTANY: Let me tell you why I think we've  
23 established in a prima facie case why he does international  
24 business. I think the statute says he has to be involved in  
25 interstate or international commerce.

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1                   THE COURT: That's not what it says.

2                   MR. BOSTANY: Something along those lines. And I  
3 believe we've indicated that he says on his website that he --  
4 let me just find it, Judge, because I don't want to summarize  
5 what the defendant says. He says, it's in paragraph 7 of the  
6 Khan declaration, we quote from the defendants. "I work for  
7 clients in the U.K., U.S.A., I am a speaker on mobile  
8 development and I'm currently authoring two books on titanium."

9                   THE COURT: So it's the titanium you're hanging your  
10 hat on, is that right?

11                  MR. BOSTANY: I would say the authoring of two books.  
12 I mean, you know --

13                  THE COURT: So Dostoyevsky would have been subject to  
14 jurisdiction?

15                  MR. BOSTANY: Today? I think so.

16                  THE COURT: Well, I'm not sure whether that's a crime,  
17 but I'm thinking about the punishment.

18                  MR. BOSTANY: He develops apps for all Fortune 500  
19 companies. Not all, but some; Microsoft, Disney, Bed, Bath and  
20 Beyond.

21                  THE COURT: But what about the rest of the statute?  
22 Even if he does some transnational business. You're relying on  
23 CPLR 302(a)(3)(ii), right?

24                  MR. BOSTANY: Yes, sir.

25                  THE COURT: It says even if you meet all the other

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1 criteria in the statute of which deriving revenue from foreign  
2 commerce is but one. The statute confers only specific  
3 jurisdiction, that is to say, only jurisdiction with respect to  
4 claims that arise from acts enumerated in the remainder of the  
5 statute. Now, how does your claim arise from whatever he did  
6 for some Fortune 500 company?

7 MR. BOSTANY: Well, it has to have, the second part of  
8 the statute under .ii requires that the acts of the defendant  
9 have consequences in the state.

10 THE COURT: Well, okay. How have you proved that?

11 MR. BOSTANY: We believe, and, again, this is, the  
12 Cello case is the closest we came, is that defendant must have  
13 known when he was communicating with the --

14 THE COURT: What about those communications told the  
15 defendant that your client was in New York and not in Chechnya?  
16 Anything in there?

17 MR. BOSTANY: There were LinkedIn communications and  
18 my client's LinkedIn profile indicates he works in New York and  
19 he resides in New York.

20 THE COURT: Well, is there any evidence in this record  
21 of what a LinkedIn communication is, what a LinkedIn profile  
22 is?

23 MR. BOSTANY: No.

24 THE COURT: Whether somebody who went on LinkedIn and  
25 got a communication from your client through LinkedIn would

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1 have seen the profile? Nothing; right?

2 MR. BOSTANY: Nothing. My argument now, I would just  
3 be talking to you about things that are not in the record and I  
4 know your Honor doesn't like that very much.

5 THE COURT: It's not that I don't like it.

6 MR. BOSTANY: Well, no one would.

7 THE COURT: It's that the Supreme Court of the United  
8 States says I can't rely on that stuff.

9 MR. BOSTANY: Right. So I don't want to -- what my  
10 argument would move to, because your Honor focused on something  
11 that none of us, which is the issue --

12 THE COURT: You both did. You both did. You said  
13 there's jurisdiction in your memorandum, but you put in no  
14 evidence and other than citing 302(a)(2) and coming up with  
15 this theory that he's some international operation, you said  
16 nothing about it, cited no evidence -- well, I guess you cited  
17 a case, and the other side made an issue of it. And you didn't  
18 even respond to it.

19 MR. BOSTANY: Well, the other side's argument was how  
20 were we supposed to know, the defendant was not supposed to  
21 know that these two communications with a New York resident  
22 would rise to the level of having consequences to the state.  
23 They didn't focus on -- your issue is much better, obviously,  
24 because now I don't have a reply to your issue but I had a  
25 reply to their issue. I'm not saying the Court is not allowed

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1 to bring it up by any means. You could dismiss this case and  
2 give us -- I don't know what the -- I forget what the procedure  
3 is because the last case I had dismissed for this issue is  
4 before you, Judge Kaplan, and you let me file it again here.  
5 But this, I don't know if you would allow me to cure or if we  
6 go to, if we have the time to file in rem in Washington State,  
7 but if you could give me a few days to do either of those.

8 THE COURT: You don't need a few days to file in  
9 Washington State. Last I heard their courts were still open.

10 MR. BOSTANY: Yes, I could do it --

11 THE COURT: What you have is a fully submitted motion,  
12 or you will as soon as everybody sits down, for a preliminary  
13 injunction which I'm going to rule on today. We're not having  
14 a do-over.

15 MR. BOSTANY: In other words, are you going to dismiss  
16 the case or rule on the preliminary injunction?

17 THE COURT: I'm just going to rule what's before me.

18 MR. BOSTANY: Okay, then let me get to the other  
19 aspects of it. Could I get to --

20 THE COURT: Sure. By all means.

21 MR. BOSTANY: Judge, the other two aspects of a  
22 preliminary injunction are likelihood of success and  
23 irreparable injury. We believe we could show likelihood of  
24 success and have shown likelihood of success by putting cases  
25 in our motion that talk to the policy reasons behind the

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1 anticybersquatting act, which is to prevent warehousing, Judge.  
2 There's no doubt the defendant is a warehouser.

3 THE COURT: Sure he is.

4 MR. BOSTANY: He argues in his papers he's not --

5 THE COURT: Sure there is. There's an issue. He  
6 disputes it. He says not true.

7 MR. BOSTANY: Judge, if you look at his papers he  
8 doesn't even recognize that he has listed over a hundred names  
9 for resale. He tries to tell you he's only got a few names.

10 THE COURT: No, he doesn't say that at all.

11 MR. BOSTANY: I quoted his paragraphs, Judge.

12 THE COURT: Well, if that's what you quoted, you  
13 didn't quote it accurately. That's not what he says. It's  
14 always a good idea to read the papers.

15 MR. BOSTANY: He says --

16 THE COURT: He says that over the years he's had  
17 inquiries, a number of inquiries. He doesn't say how many  
18 inquiries, but he says only twice has he ever sold anything.  
19 Twice in at least 17 years. 16 years.

20 MR. BOSTANY: And this is primarily the reason why the  
21 legislators have said many cybersquatters are now careful to no  
22 longer offer the domain for sale in any manner that could  
23 implicate liability under existing trademark dilution case law.  
24 We're talking about a sophisticated business person that's  
25 extremely intelligent.

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1           THE COURT: Somebody who you say is in the business of  
2 selling domain names but has managed in 17 years to sell two.

3           MR. BOSTANY: Right. He's managed to do -- escape  
4 the -- in his mind he's doing exactly what he's getting you to  
5 do today, which is to leave him alone so that when someone does  
6 develop an interest in these names that he's not using in any  
7 way whatsoever other than warehousing, they will develop an  
8 interest in them enough to pay him a huge amount. Not \$500,  
9 not a thousand dollars. Who knows? We asked him what kind of  
10 counter offer and he said I don't even want to say it right  
11 now, I want to wait.

12          THE COURT: Let's be practical, Mr. Bostany. What  
13 went on here is you were trying to set him up. Your client was  
14 trying to set him up.

15          MR. BOSTANY: Your Honor, my client's last  
16 communication was, that was not responded to, please tell us  
17 any amount that you would take and he didn't reply to that.

18          THE COURT: I read it.

19          MR. BOSTANY: That was in May 2015.

20          THE COURT: And that's a good faith attempt to profit  
21 from it, right? The guy says tell me what I have to pay you to  
22 buy this domain name and the response of the man who supposedly  
23 in bad faith is trying to profit from your guy's trademark is  
24 not interested. Not even interested enough to respond.

25          MR. BOSTANY: Because his prior response was I'd like

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1 to wait it out. I see another company developing interest in  
2 this name. It's consistent with his whole plan and his whole  
3 philosophy -- why else is he holding over a hundred domains and  
4 putting on his website that they're for sale if he doesn't want  
5 to profit from them? Why isn't he saying to the guy that is  
6 offering him \$500 no, and not responding, "I see other people  
7 that may pay me more," because he wants to profit? There is no  
8 other reason. He doesn't say in there it's not for sale, I  
9 want to use it myself. He says it's not for sale because  
10 another large company may want it and pay me more. This is  
11 exactly what the anticybersquatting law says he's not allowed  
12 to do and what other judges have said in, not a case on all  
13 fours, I'm not saying that the Judge Holwell case is a case on  
14 point, but the theory there is when someone is asking for  
15 exorbitantly more money than the actual cost of the domain  
16 name, that is extremely important proof of the fact that this  
17 person wants to profit and there's nothing in the factual  
18 statements that are in the record that the defendant has said  
19 that indicate that he was just warehousing over a hundred names  
20 so that he could use them for personal use.

21 I know it's in his argument, but this Court is  
22 extremely sharp. I've been before this Court many times and I  
23 don't have to say much more. I really don't, Judge. I think  
24 that if you look at this and you say, okay, you're warehousing  
25 over a hundred domain names, you have them on your website for

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1 sale and you're saying to the plaintiff that's offering you a  
2 thousand dollars, no, not right now, there's another company  
3 that's using this name, it's not hard for me to connect the  
4 dots and say that you obviously are looking to profit by these  
5 names and not using them yourself. Have you used any of them  
6 yourself in the past 16 years?

7 THE COURT: Just remind me of when the cybersquatting  
8 act was enacted?

9 MR. BOSTANY: 1999.

10 THE COURT: Thank you. Anything else?

11 MR. BOSTANY: That's it, Judge.

12 THE COURT: All right. Mr. Berryhill? Dr. Berryhill?

13 MR. BERRYHILL: Thank you, your Honor. I'd like to  
14 address the cognizable threat first to explain how this  
15 application that we're arguing today -- we're not here on a  
16 dismissal of the case. The case hasn't been served. The only  
17 thing that was served was the TRO and this application.

18 On the issue of the cognizable threat, there is as a  
19 condition of being an internet domain name registrar, every  
20 registrar must include mandated terms in their registration  
21 agreement and the registrar in this instance, eNom in  
22 Washington State, incorporates into the registration contract  
23 the basis of the domain name a dispute policy. With the  
24 Court's permission could I provide a copy to counsel and to the  
25 Court?

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1           THE COURT: Well, this is something else that you're  
2 bringing in that's not in the record, right?

3           MR. BERRYHILL: Well, it's in the record in a sideways  
4 way. The Goforit case, which I cited in my brief.

5           THE COURT: In other words, I can rely on evidence  
6 that was offered in other cases?

7           MR. BERRYHILL: No. It describes a procedure by which  
8 if a domain registrar is made aware of any registration  
9 respecting the domain name they are required to lock the domain  
10 name and they're required not to transfer the domain name  
11 simply as a consequence of the litigation being filed. The  
12 ordinary procedure in ACPA cases is the plaintiff files the  
13 complaint, takes a Court-stamped copy of the filed complaint  
14 and just mails it to the registrar and they'll actually prevent  
15 transfer of the domain name. So as long as this case is  
16 pending eNom will not allow transfer of the domain name as a  
17 practical matter.

18           THE COURT: Mr. Bostany, I know it's outside the  
19 record, but do you dispute this?

20           MR. BOSTANY: Your Honor, we had a conference to try  
21 to resolve this last night and it was not brought up. If it  
22 had been brought up I would have looked into it and we would  
23 not have needed to be here today.

24           MR. BERRYHILL: I don't make eNom's policy, but that's  
25 what happened in the Goforit case. The registrar in that

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1 case -- it was a case in the Northern District of Texas. The  
2 registrar was in Canada but they received a letter of here's a  
3 copy of the complaint we filed and all the defendant's domain  
4 names were locked. As it turned out in that case the  
5 plaintiff's complaint had no merit and on counterclaims for  
6 damage of tortious interference of contract the plaintiff was  
7 found liable.

8 On the issue of personal jurisdiction, that's I think  
9 been pretty well discussed already. I would point out that the  
10 communications on which the plaintiff is relying were  
11 communications initiated by the plaintiff prior to any claim of  
12 trademark rights, in fact, before the trademark application was  
13 even filed, so you had this U.S. non-trademark owner contacting  
14 a U.K. non-trademark owner saying, you know, I'm interested in  
15 this descriptive phrase.

16 And there is no contrary -- there is a lot of  
17 discussion of warehousing. There's no mention of warehousing  
18 in the statute. The statute requires a specific bad faith  
19 intent to profit on the basis of someone's trademark, where the  
20 trademark is distinctive at a time a domain name is registered.  
21 Those are the plain words of the statute, without going to  
22 other concerns that people had at the time, trading in domain  
23 names, profiting in the descriptive domain names was not  
24 unlawful. In the first Cello case in 2000 in the Southern  
25 District the Court said there's a difference between somebody

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1 registering something like Apple Computer and trying to sell it  
2 to Apple Computer versus registering "apple" and trying to sell  
3 that, which may go to an apple farmer up the Hudson River.

4 Lawyer.com is a trade name we all can appreciate,  
5 Martindale Hubbel brought that for a large amount because they  
6 couldn't develop trademark rights. Merely having a domain  
7 name -- these were primarily registered because he's an  
8 application developer --

9 THE COURT: There would be a pretty good argument,  
10 wouldn't there, that WorkBetter, in the absence of, at least in  
11 the absence of heavy evidence of secondary meaning would be, if  
12 it were litigated, held an invalid mark.

13 MR. BERRYHILL: In fact, in our papers -- we have a  
14 copy of what the plaintiff purports to be the website through  
15 which it conducts business and it says, "We've got things  
16 coming soon," and, "We're here to help people work better."  
17 The plaintiff itself in its non-trading website, you cannot  
18 conduct commerce with the plaintiff through that website. They  
19 still don't conduct commerce. In fact, the plaintiff's  
20 principal tweeted three days ago that he's looking for a PR  
21 firm in New York to help launch Work Better.

22 Your Honor's comments to the fact that this was sort  
23 of a setup are very insightful because this has become  
24 something of a pattern that a lot of domain names are  
25 registered -- there's like 110 million domain names registered

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1 to dot com and it's a truism that all the good ones are taken.  
2 The defendant is an application developer, he registered Work  
3 Harder, Work Better, Work Faster, Work Easier, because he  
4 thought they might come in handy some day. And in the meantime  
5 he directed them to his personal blog. In all of the arguments  
6 the plaintiff advanced that the names are unused, in the  
7 communication from plaintiff's principal on September 23 he  
8 said I am interested in this domain name that you are using to  
9 forward to your personal blog. Defendant was not conducting,  
10 transacting business in the United States through that blog.  
11 It's just his personal blog. It is not an interactive website  
12 where you can trade. Of course, neither is the plaintiff's  
13 website Work Better U.S. There's no business being transacted  
14 there.

15 There are some suspicious statements in how the papers  
16 in the case versus the actual correspondence between the  
17 parties are at variance. The plaintiff's principal has a  
18 declaration to the effect that communication occurred after he  
19 did file his trademark application when in fact the plaintiff  
20 initiated that communication. And to say that if I initiate a  
21 communication with someone anywhere in the world and they  
22 answer me that drags them into the State of New York is a  
23 little far-fetched.

24 The plaintiff is not left without a forum. The ACPA  
25 provides in rem jurisdiction where the registry and registrar

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1       is located. The registry in this case is located in Virginia.  
2 VeriSign runs it. The ACPA has a lot of experience with in rem  
3 cases that's required as protection against lack of  
4 jurisdiction over the defendant. The domain registration  
5 contract is with an entity in Washington State. That domain  
6 registration contract has an incorporated dispute policy and,  
7 finally, the dispute policy incorporates an administrative  
8 arbitration procedure that anyone can file. It's conducted by  
9 the Worldwide Neutral Property Organization that's empowered to  
10 adjudicate these kinds of disputes.

11                   So there's three alternative avenues for the plaintiff  
12 to proceed with other than seeking jurisdiction in this court.

13                   THE COURT: Okay, thank you. Mr. Bostany, briefly?

14                   MR. BOSTANY: Your Honor, I was about to say that  
15 based upon Dr. Berryhill's representation that eNom freezes it  
16 any way that we'd like to withdraw this motion and I would like  
17 to do that and I would like to withdraw the motion. I believe  
18 you, Dr. Berryhill, I've spoken to you before and I have good  
19 intuition about people's character and I don't think you are  
20 misrepresenting. I'd like to withdraw and I'd like to withdraw  
21 the entire case based upon the Court's comments about  
22 jurisdiction, but I don't think I'd like to do this right now.

23                   THE COURT: I think, having come this far, as long as  
24 the action is before me I'm going to rule on the motion.

25                   This is an action under the anticybersquatting act.

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1       The plaintiff, known as Office Space Solutions, which appears  
2       actually to be a man named Mr. Mehta, has a registered  
3       trademark which it obtained from the Patent Office earlier this  
4       year into the word mark "WorkBetter." It brings the action  
5       against a gentleman named Jason Kneen, who is a British  
6       national resident in the United Kingdom who develops web and  
7       personal computer software. Mr. Kneen has had a registered  
8       domain name for the URL WorkBetter.com since 1999. The only  
9       evidence of contacts by Mr. Kneen with the United States as  
10      distinguished from rhetoric is consistent only with a  
11      conclusion that they are de minimis. As I mentioned, Mr. Kneen  
12      in February of 1999 registered not only the domain name  
13      WorkBetter.com but also WorkHarder.com and WorkFaster.com as  
14      well as possibly another in the belief that they might be  
15      useful in connection with work management or productive  
16      software which are among the things he develops but might not  
17      be available later if you fail to register those domain names.

18           Oh, I should add that he has kept the registration in  
19      force ever since by automatic payment of annual fees to the  
20      registrar, which occur because he gave the registrar his credit  
21      card number and the registrar charges the fee to Mr. Kneen's  
22      credit card every year without any volitional action on the  
23      part of Mr. Kneen. I do assume that he pays the bills, but  
24      other than that, there's no evidence of additional action.

25           The plaintiff's brief asserts that Mr. Kneen, and I

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1 quote, "reregistered/updated," close quote, the registration in  
2 February of this year. That's in their memorandum, docket item  
3 10 at page 5. The plaintiff, however, has submitted no  
4 evidence at all to support that assertion. Mr. Kneen's  
5 memorandum says that he didn't update or reregister the domain  
6 names in February of 2015, but he hasn't submitted direct  
7 evidence on that point either. The most that can be said is  
8 that Mr. Kneen's declaration says that he has the arrangement  
9 with the registrar since 1999 that I described that relates to  
10 the payment of the annual fee. That is supported by evidence.  
11 In those circumstances I specifically decline to find that  
12 Mr. Kneen reregistered or updated the domain name registration  
13 at any time since 1999 except to whatever extent one might  
14 regard the payment of the annual fee as falling within that  
15 phrase.

16 The plaintiff also raises some question as to whether  
17 Mr. Kneen, who describes himself as a developer of web and  
18 portable computer software, is in the business also of selling  
19 domain names. The complaint says he's a reseller of domain  
20 names three times. The plaintiff asserts without  
21 contradiction, although I'm not sure there is any evidence of  
22 this, that Mr. Kneen has a hundred domain names listed as being  
23 for sale on one of his websites. Mr. Kneen denies that he's in  
24 the business of registering domain names for resale. He says,  
25 without contradiction but under oath, that although he's been

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1 approached many times by others over the years with inquiries  
2 to purchase domain names he has sold only two, one in 2004 and  
3 the other in 2008. I'm not totally sure that it really matters  
4 whether his activities are characterized as engaging in the  
5 business of selling domain names, but if it matters he  
6 certainly doesn't do it with any great success.

7 It's worth describing the course of dealing between  
8 the parties. It began on April 23rd, 2004 when Mr. Mehta  
9 initiated contact with Mr. Kneen. He said in substance that he  
10 was working on a new project. He wanted to use the domain name  
11 WorkBetter.com and asked Mr. Kneen to give him a price at which  
12 he'd sell it. Two days later, two days, without any  
13 communication of the fact to Mr. Kneen, Mr. Mehta caused an  
14 application to be made to the Patent and Trademark Office to  
15 register the work mark WorkBetter under 15 U.S.C. 1015(b) on an  
16 intent to use basis. Mr. Mehta swore under penalties of  
17 perjury that he had, quote, a bona fide intention to use the  
18 mark in commerce or in connection with the goods/services, and  
19 I am interpolating the word "described" into the quotation, in  
20 the application, close quote.

21 Three days went by. No response from Mr. Kneen so Mr.  
22 Mehta pinged him again electronically. Five days after that  
23 Mr. Kneen responded, May 14, 2013, the salient part of the  
24 response to Mr. Mehta being make me an offer. Mr. Mehta  
25 responded suggesting \$500. Kneen said he wasn't interested.

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1 Mehta then solicited a response at which Mr. Kneen would sell.  
2 Kneen responded that he thought the number he'd want would be  
3 too high. He assumed that Mr. Mehta wouldn't be interested.  
4 He indicated that he heard that Citrix, I believe it was, was  
5 developing something that either would or might suggest an  
6 interest in this domain name, but he basically turned off the  
7 inquiry from Mr. Mehta. Mr. Mehta was not to be deterred. On  
8 May 16, 2014 he again solicited a price from Mr. Kneen.  
9 Mr. Kneen ignored the communication.

10 Now, it's interesting that although on April 25, 2014  
11 Mr. Mehta had caused the trademark application to be filed. He  
12 never informed Mr. Kneen of the trademark registration  
13 application, he never referred to having a trademark in Work  
14 Better or any variant of it. He was totally silent on that.  
15 Then on June 24 the plaintiff's director of technology  
16 initiated a transfer of the domain name WorkBetter.com from  
17 Mr. Kneen to the plaintiff. Mr. Kneen heard about that from  
18 the registrar and sent an e-mail to Mr. Mehta asking whether he  
19 was trying to steal Mr. Kneen's registration. The plaintiff  
20 claimed that it was a misunderstanding it had all been a  
21 horrible mistake and dropped the transfer request.

22 Eventually, the trademark application began to come to  
23 the point of action. In March of 2015 Mr. Mehta submitted a  
24 statement of use to the Patent and Trademark Office. He there  
25 stated under penalties of perjury that he was the owner of the

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1 mark Work Better and was using or was of that date using the  
2 mark. There is no evidence in this record that that is true.  
3 Indeed, the suggestion, to the extent there is any shred of  
4 evidentiary material, is to the contrary but that's for another  
5 day. The registration issued on May 19 of this year.

6 Now, the essence of the plaintiff's claim is that  
7 Mr. Kneen has a bad faith intent to profit from the defendant's  
8 trademark; that Mr. Kneen has registered, trafficked in or used  
9 the domain name, that at the time of the registration was  
10 distinctive and that the domain name is identical or  
11 confusingly similar to the mark. In substance, the argument is  
12 that Mr. Kneen is sitting on the domain name that he registered  
13 almost twenty years ago and that he has a bad faith intention  
14 to profit from the trademark that the plaintiff acquired last  
15 month or the month before, to be precise, by selling it to the  
16 plaintiff, notwithstanding that the overtures from the  
17 plaintiff were ultimately ignored by the defendant.

18 The plaintiff came into this court on June 29 and  
19 obtained an ex parte temporary restraining order that bars  
20 transfer or otherwise moving the registration of the domain  
21 name from its present registrar which is located in Washington  
22 State. The order to show cause containing the TRO brought on  
23 this motion which is for a preliminary injunction prohibiting  
24 the domain name from being transferred, reregistered, updated  
25 or moved to a different registrar during the pendency of the

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1 action.

2 The standard governing the motion is very  
3 well-established. I think everyone knows the test in this  
4 circuit. I'll simply refer to Christian Louboutin S.A. v. Yves  
5 St. Laurent American Holding Inc., 696 F3d 206, 215.

6 A sine qua non of a successful application for  
7 injunctive relief, including this preliminary injunction, is a  
8 showing of a cognizable threat of irreparable injury. Once  
9 upon a time in this circuit irreparable injury was presumed  
10 from a likelihood of success on motions for preliminary  
11 injunctions in trademark and copyright infringement cases.  
12 Perhaps for that reason the plaintiff doesn't even address the  
13 issue. That's a mistake.

14 In Salinger v. Coultting, 607 F.3d 68 at pages 18 to  
15 82, the Second Circuit made clear that the Supreme Court's  
16 decision in the eBay case effectively had abrogated the sums of  
17 irreparable injury and that the district court before issuing a  
18 preliminary injunction or a TRO must actually find based on  
19 evidence that the plaintiff suffers the requisite likelihood of  
20 irreparable injury if a preliminary injunction or a TRO is not  
21 issued.

22 Now, there isn't a shred of evidence that Mr. Kneen  
23 intends to transfer or move the registration for the  
24 WorkBetter.com domain name to a different registrar during the  
25 pendency of the litigation. It has been represented by defense

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1 counsel that he couldn't do so if he wanted to. That rests on  
2 material outside the record and I don't rely on it. Not that I  
3 question anyone's honesty. It's simply sufficient that the  
4 plaintiff has the burden of showing a likelihood of irreparable  
5 injury. A transfer or movement of the registration to a  
6 different registrar is at least one prong of the plaintiff's  
7 argument. And there's just no evidence that that's likely.  
8 Nor is there any evidence that even if it were likely it would  
9 cause any injury to the plaintiff that would be irreparable.  
10 That's simply a gossamer wing, an imaginary thing. Nor is  
11 there any evidence that the defendant, according to plaintiff's  
12 claims, intends to reregister or update the registration,  
13 whatever that means, or if defendant did that that there would  
14 be any harm to the plaintiff. The bottom line rule is I  
15 decline to find that the plaintiff has satisfied its burden of  
16 demonstrating a cognizable threat of irreparable harm if I  
17 didn't issue the preliminary injunction.

18 Now, there's plenty more to be said. I will say some  
19 of it, but certainly not all of it. The first is that in  
20 assessing a plaintiff's likelihood of success on the merits,  
21 which is a critical ingredient of the showing necessary for  
22 injunctive relief, is a showing where it is controverted that  
23 the plaintiff is likely to prevail on the issue of personal  
24 jurisdiction. That has not occurred here. The plaintiff  
25 relies exclusively on Section 302(A)(3)(ii) of the New York

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1 CPLR. In relevant part it reads, "As to a cause of action  
2 arising from any of the acts enumerated in this section a Court  
3 may exercise personal jurisdiction over any non-domiciliary who  
4 in person or through an agent commits a tortious act throughout  
5 the state causing injury to person or personal property within  
6 the state if he expects or should reasonably expect the act to  
7 have consequences in the state and derives substantial revenue  
8 from interstate or international commerce." Even assuming for  
9 the sake of argument that Mr. Kneen's holding of the  
10 registration or his responding to Mr. Mehta's inquiries  
11 amounted to a tortious act, of which I have considerable doubt,  
12 there is not a shred of evidence that Mr. Kneen expected or  
13 reasonably should have expected his actions to have  
14 consequences in the State of New York. There is no evidence  
15 that the plaintiff corporation Office Space Solutions Inc. was  
16 identified to him. There is no evidence that either its  
17 location or Mr. Mehta's location was made known to him. For  
18 all he knew these inquiries were coming, as I trust humorously  
19 said during the argument, from Chechnya or some other  
20 inhospitable clime. Nor is there any evidence that Mr. Kneen  
21 derives substantial evidence from interstate or international  
22 commerce. I know there's some general statements that he has  
23 done business with people in the United States. There's  
24 evidence of only two trips to the United States over a period  
25 of at least two decades. There's simply no reason on this

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1 record to conclude that he derives substantial revenue from the  
2 interstate or international commerce of the United States.

3 I think Magistrate Judge Cott's decision in  
4 *Phoenix-Golezal v. Ni*, 2012 Westlaw 121105, 2012 is pertinent  
5 on the jurisdictional point. On the record before me on this  
6 motion, the plaintiff hasn't got the proverbial hope in  
7 someplace I won't mention on the record of prevailing on the  
8 jurisdictional point and I must give Mr. Bostany credit for  
9 acknowledging that this is absolutely his weakest point. He  
10 has a very correct assessment of that.

11 There's more to be satisfied, though. There is in my  
12 view at least on the record now before me no evidence of a bad  
13 faith intent to profit from the plaintiff's May 2015 trademark  
14 registration. The defendant, I find, acted in sublime  
15 ignorance of the existence of the intent to use the application  
16 throughout the parties' desultory communications and paying his  
17 annual renewal fee in 2015. His refusal in response to one of  
18 Mr. Mehta's later communications even to name a price for  
19 transferring the domain name is rather inconsistent with the  
20 notion that there was an intent to profit, although not  
21 entirely so. There's absolutely no evidence that there's any  
22 risk of confusion between anything that the plaintiff might do  
23 and the defendant's maintenance of the registration. There's  
24 no evidence at all that though the plaintiff now has a  
25 registered mark perhaps only until it's challenged, but he has

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1 it, that there's any real goodwill associated with the mark,  
2 that the mark designates a supplier of goods or services, it's  
3 just at the moment pretty much of a fantasy.

4 Now, that's on my rather common sense view of it. The  
5 anticybersquatting act contains a list of nine exhaustive  
6 factors to be considered in determining bad faith. And I  
7 reached the same conclusion going through them. The first  
8 factor is the trademark or other intellectual property rights  
9 of the defendant, if any, in the domain name. Well, I don't  
10 see any. That's a point for the plaintiff.

11 The second is the extent to which the domain name  
12 consists of the legal name of the person or name commonly used  
13 to identify the person. Well, WorkBetter.com is not the legal  
14 name of Mr. Kneen, that's for sure, but he has been using it  
15 for fifteen or more years to redirect people who entered that  
16 domain name to his personal blog. I can't exclude the  
17 possibility that the domain name in fact is commonly used to  
18 identify the person, although that's a rather weak inference  
19 and it doesn't really cut very strongly one way or the other.

20 The third factor is the defendant's prior use, if any,  
21 of the domain name in connection with offering goods or  
22 services. Well, there's no evidence of that. Point two for  
23 the plaintiff.

24 The fourth factor is the person's bona fide either  
25 non-commercial or fair use of the mark in a site accessible

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1 under the domain name. Certainly the use to which it's put now  
2 is non-commercial and of course all of this assumes that  
3 Mr. Kneen knew there was a claim on the trademark, which he  
4 didn't until he got sued.

5 The fifth factor and to me this is one of the more  
6 important ones, is the defendant's intent or lack thereof to  
7 divert consumers from the mark owner's online location to a  
8 site accessible under the domain name that could harm the  
9 goodwill represented by the mark either for commercial gain or  
10 disparagement and creating a likelihood of confusion as to  
11 source and so forth. That is obviously not going on here. At  
12 least so far as this record discloses. That's a big point for  
13 the defendant, Mr. Kneen.

14 The sixth factor is the person's offer to transfer,  
15 sell or otherwise assign the domain name to the mark owner or  
16 any third party for financial gain without having used the  
17 domain name in the offering of goods or services. It appears  
18 that Mr. Kneen has marks listed on his website as being for  
19 sale. He certainly did not rush to sell this one to the  
20 alleged mark owner. Quite the contrary.

21 The seventh factor is the defendant's provision of  
22 material and misleading false contact information in applying  
23 for the registration of the domain name. No suggestion that  
24 happened. None at all. Point for the defendant.

25 The eighth factor is the person's registration or

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1 acquisition of multiple domain names which the person knows are  
2 identical or confusingly similar to marks of others that are  
3 distinctive at the time of registration, etc. No evidence that  
4 that's true at all. Another point for the defendant.

5 Finally, the ninth factor is the extent to which the  
6 mark incorporated in the domain name registration either is not  
7 distinctive and famous within the meaning of Subsection C.  
8 There's pretty much no evidence in this record. Indeed, I  
9 think there is no evidence in this record that anybody ever  
10 heard of the plaintiff's mark except devoted readers of  
11 whatever publications list trademark registrations issued by  
12 the U.S. Patent and Trademark Office. However you slice it,  
13 there are good cybersquatting cases and there are bad ones.  
14 And this is really one of the bad ones.

15 The motion for a preliminary injunction is denied. I  
16 find no threat of irreparable injury. I find no likelihood of  
17 success on the merits given the record before me. The public  
18 interest certainly does not militate in favor of granting  
19 relief. The balance of hardships in my view, if it cuts in any  
20 direction cuts in favor of Mr. Kneen because an injunction  
21 could threaten to interfere with a perfectly lawful and  
22 appropriate course of business in which he's been engaged since  
23 1999, all at the behest of somebody who appears to have a --  
24 who quite obviously just went out and registered a mark that he  
25 undoubtedly knew was nearly identical to the domain name

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1 registered and used by the plaintiff for many years for  
2 perfectly legitimate reasons.

3 The temporary restraining order is vacated  
4 immediately. And now, Mr. Bostany, I suggest that you might  
5 have a conversation with your adversary about withdrawing  
6 something. But the motion is disposed of. Thank you, folks.

7 (Adjourned)

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